



*Santa Cruz County Regional Transportation Commission
1523 Pacific Avenue, Santa Cruz, CA 95060
phone (831) 460-3200 ~ fax (831) 460-3215
email: info@scrtc.org; website: www.scrtc.org*

NEWS RELEASE

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CONTACT: Rachel Moriconi or Linda Wilshusen
PHONE: (831) 460-3200

State Budget Bleeds More Funds From Transportation Delays to Local Transportation Projects Expected

SACRAMENTO- At its meeting on Thursday August 5, 2004, the California Transportation Commission announced that the State Budget approved by Governor Schwarzenegger last Saturday will prevent them from releasing any funds to local transportation projects for at least another four months. The budget will also tightly restrict the total number of transportation projects that may be funded in coming years. The state Commission reported that they will only have enough cash to fund \$500 million in safety and emergency projects on highways statewide; this is less than one quarter of the \$2.2 billion that they had planned to release to a variety of transportation projects statewide this year. At this rate, the unfunded transportation needs in the state are anticipated to grow to \$160 billion by 2010.

Over the past three fiscal years, the State has continually treated transportation like “an ATM for the General Fund,” diverting over \$5.5 billion in gasoline sales tax revenues that were dedicated to transportation with the enactment of Proposition 42 and regular gas tax funds away from transportation projects. The result has been delays to projects such as the Highway 1/17 Merge Lanes project as well as over a dozen major roadway repair projects countywide. Though the 2004 State Transportation Improvement Program (STIP) that the CTC adopted on Thursday schedules release of funds for the Highway 1/17 Merge Lanes project in FY05/06, the CTC immediately noted it is unlikely it will even be able to meet the commitments made in the 2004 STIP.

Due to the continued bleeding of transportation funds, the state also decided Thursday not to include \$7.8 million for the Transit District's MetroBase operations facility in the 2004 State Transportation Improvement Program (STIP). The Regional Transportation Commission had asked the state to give back \$7.8 million which the State took away from the MetroBase project in 2002 when the Transit District was unable to meet state deadlines because of site relocation.

The continual raid of transportation funds to bail out the State Budget has made the State Transportation Improvement Program (STIP) an unreliable funding source for transportation projects. This is one of the reasons the Santa Cruz County Regional Transportation Commission has proposed a new ½-cent sales tax for the November 2004 ballot. If approved by 2/3rd of Santa Cruz County voters, the new ½-cent sales tax would raise approximately \$577 million to be used to widen Highway 1 with carpool/bus/emergency vehicle lanes between Santa Cruz and Aptos; improve local streets, sidewalks and bike paths, improve safety on Highway 17, increase transportation options for seniors and persons with disabilities, build a coastal bike/walking path next to the rail line, and build a train station near Watsonville that would link to trains from the San Francisco Bay Area and the rest of the state.

The final impacts of the recently approved State Budget will not be known until trailer bills make it through the legislature and Propositions 68 and 70 related to tribal gaming are decided by voters in November. Also, reauthorization of the federal transportation act could significantly impact the amount of funding available for critical transportation projects in Santa Cruz County.

For more information on the projects that may be affected by the state budget and the proposed half-cent sales tax, visit www.sccrtc.org or the California Transportation Commission's website: www.catc.ca.gov/Final%20Unfunded%20Needs%20comb.pdf

The Santa Cruz County Regional Transportation Commission is the regional transportation planning agency responsible for planning and funding transportation projects in Santa Cruz County.